(d) whether any mechanism is available with KVIC to enforce the conditions stipulated for the sanctioning of such financial assistance;

(e) if so, the reasons for violation of stipulated conditions; and

(f) the steps taken/proposed to be taken to further strengthen the mechanism?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) The Rural Employment Generation Programme (REGP) is implemented by the Khadi and Village Industries Commission (KVIC) with due regard to the conditions stipulated for providing financial assistance to eligible applicants.

(b) and (c) 241 cases of releasing margin money assistance to ineligible applicants under the REGP during the last three years (2002-03 to 2004-05) have come to the notice of KVIC. The KVIC has taken action to recover the margin money assistance released in these cases.

(d) to (f) In order to ensure that the assistance due under REGP is available to only eligible applicants, field offices of the KVIC or the State/ Union Territory khadi and Village Industries Boards concerned scrutinise the proposals of applicants before forwarding them to the banks for sanction of loan. In addition, the financial (margin money) assistance provided by the KVIC is kept with the relevant financing branch of the bank as fixed deposit in the name of each beneficiary for a period of two years. This amount is credited to the loan account of the beneficiary only after verification of establishment of the unit.

**Spinners and weavers of Khadi and Village Industries**

2099. KUMARI NIRMALA DESHPANDE: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether it is a fact that the employment given by khadi and village industries is going down and poor spinners and weavers are suffering;

(b) if so, the reasons therefor; and

(c) the steps being taken to help this sector?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) The employment in the village industries (VI) sector

has shown steady growth over the years. However, the employment of spinners and weavers of khadi declined considerably during the period 1996-2002 but has shown some improvement since then. Spinning and weaving of khadi and further production processes are carried out by Khadi institutions which are autonomous bodies, generally registered as societies and supported by the Central and State Governments through statutory organisations like the Khadi and Village Industries Commission (KVIC) and the State/Union Territory Khadi and Village Industries Boards (KVIBs) concerned. Paucity of funds with the Khadi institutions for replacing outdated charkhas and looms, inadequate attention to production and sales planning, particularly product quality and marketability, weak working capital position of these institutions due to high unsold stocks and non-payment of rebate in time, etc. contributed to the decline of employment in the Khadi sector.

(c) To promote the production and sales of Khadi in the country and thereby generate additional employment of spinners and weavers, the following steps have been taken:

(i) Institutional credit at the concessional rate of interest of 4 per cent per annum is provided by banks as per the assessed requirement of the institutions registered with the KVIC/State KVIBs under the Interest Subsidy Eligibility Certificate Scheme;

(ii) Larger provision of funds for payment of rebate on sales of khadi;

(iii) Assistance for improved design and packaging of khadi and khadi products under the Product Development, Design intervention and Packing (PRODIP) Scheme implemented by the KVIC;

(iv) Rural Industries Service Centres (RISC) for setting up common facility centres (CFCs) to provide common infrastructural support and services to khadi institutions; and

(v) Assistance to khadi institutions to participate in exhibitions at the national and sub-national levels, etc., for improving marketing of khadi products.

Besides, the Government has recently approved the 'Scheme of Fund for Regeneration of Traditional Industries' (SFURTI) for implementation in 25 khadi clusters for their holistic development. It is expected that this

will also improve the employment prospects of the khadi spinners and weavers.

**Macro level thrust areas of agro and rural industries**

2100. DR. K. MALAISAMY: Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) the major macro level thrust areas of agro and rural industries and to what extent they have been achieved;

(b) whether a comprehensive and thorough study was made to identify the weak and grey areas in this sector and the initiatives taken to correct the deficiencies;

(c) whether enough priority and importance of this sector has been ensured to implement the corrective measures; and

(d) whether there will be a time frame to set right the deficiencies identified?

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Generation of additional employment in rural areas, creation of self-employment opportunities for the educated unemployed youth, adoption of market-oriented approach in the khadi and village industries (KVIs) sector, increase in production and sales of khadi, coir and village industry products, increase in export of coir products, etc., are some of the macro-level thrust areas in the agro and rural industries (AIRs) sector.

(b) and (c) Studies have been undertaken, from time to time, to assess the status of implementation of various programmes in the KVI and coir sectors. Corrective action has also been taken, based on the feedback of such studies as well as the implementing agencies. Further, the Government has been providing support to this sector to help it remain competitive and export-oriented in the globalising economy. These measures include providing facilities for quality control of products, financial assistance for participation in national and international exhibitions, assistance for technology upgradation, research and development, etc.